

OFFICE *of the* FIRE COMMISSIONER

2010 - 2011 ANNUAL REPORT



Manitoba 



Mission Statement

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

Our Values

We believe people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe being responsible for our organization and in our organization being fair, effective and efficient.

We believe in the loyalty of our people and value their continued development.



Minister of Labour and Immigration

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8



His Honour, The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

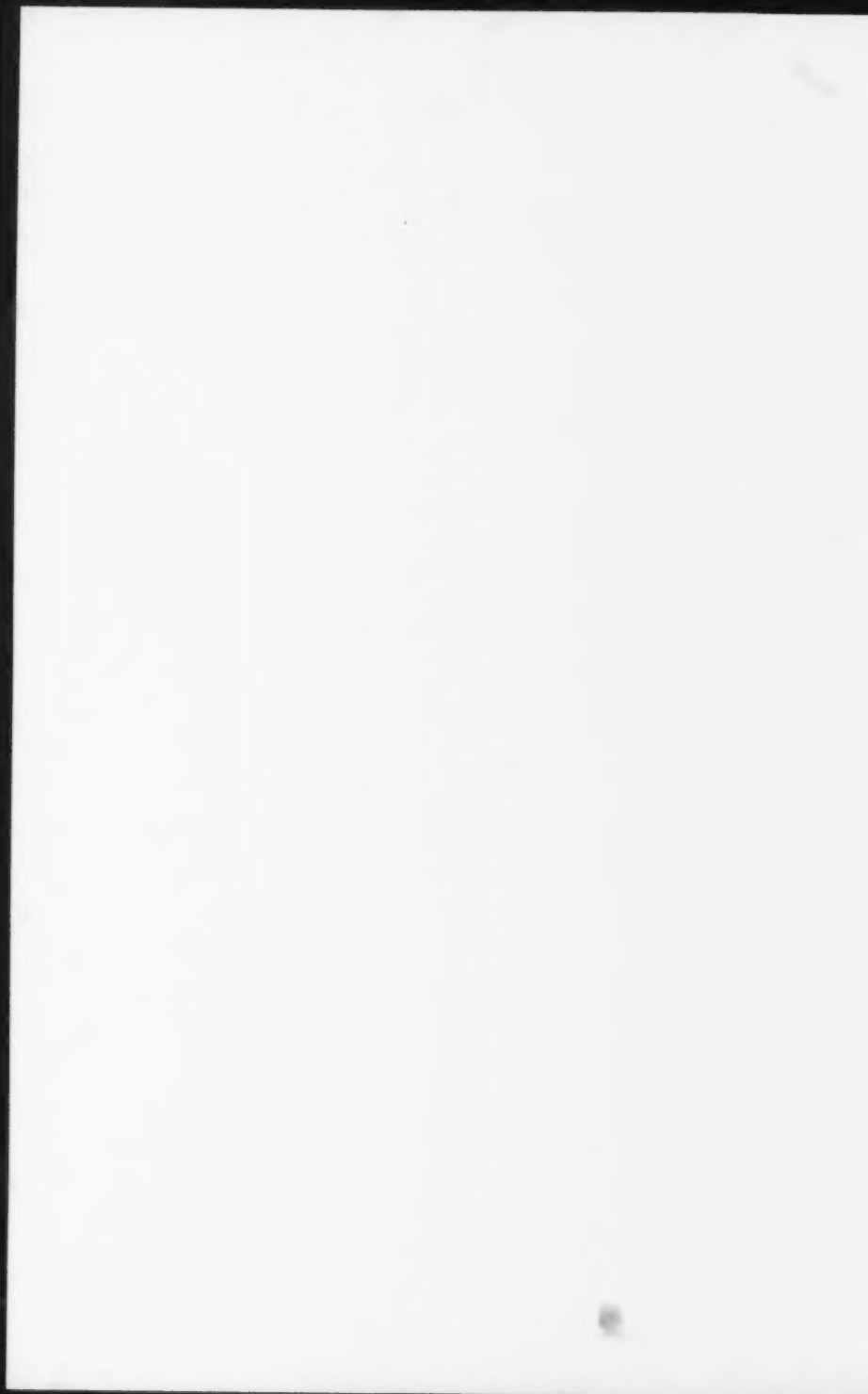
Your Honour:

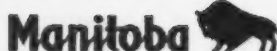
I have the privilege of presenting the fifteenth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2011.

Respectfully submitted,

Original signed by

Jennifer Howard
Minister of Labour and Immigration





Labour and Immigration
Deputy Minister of Labour and Immigration
311 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
T 204-945-4030 F 204-945-2203
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Honourable Jennifer Howard
Minister of Labour and Immigration
Room 317 Legislative Building
Winnipeg MB R3C 0V8



Dear Minister:

I am pleased to submit, for your consideration, the fifteenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2011.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Respectfully submitted,

Original signed by

Jeff Parr
Deputy Minister and Chairperson of
the OFC SOA Advisory Board

Manitoba
spirited energy





Jeff Parr
Deputy Minister of Labour and Immigration
Room 311 Legislative Building
Winnipeg MB R3C 0V8

Dear Chairperson:

I am pleased to submit for your review the 2010/11 Annual Report of the Office of the Fire Commissioner (OFC) for the year ended March 31, 2011.

Highlights of the year:

- Provided logistical and operational support for the Premier during the 2010 Premiers' Meeting with the National Aboriginal Organization Leaders in Churchill and the 2010 Manitoba Arctic Gateway Summit in Winnipeg;
- Entered into discussions with the Assembly of Manitoba Chiefs to improve fire safety and prevention strategies on Manitoba's First Nation communities;
- Implemented changes to the Manitoba Building and Plumbing Codes to increase energy and water efficiencies as well as make Manitoba homes healthier;
- Signed a memorandum of understanding regarding mutual aid during emergency response and improved strategic alignment with the Government of Saskatchewan at the 2nd annual Manitoba / Saskatchewan joint cabinet meeting;
- Committed significant resources towards Manitoba's 2011 Flood Fight through planning, mitigation and assessment;
- Investigated over 600 fires; and
- Participated in 28 emergency responses.

Through our continued commitment to enhance the level of public safety in the Province of Manitoba, the Office of the Fire Commissioner will continue to be a leader in the emergency services community.

Yours truly,

Original signed by

David K. Schafer
Acting Fire Commissioner



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SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on all Agency's proposed business plans, quarterly and annual reports.

The Advisory Board consists of the following individuals:

JEFF PARR

Board Chair

Ex Officio

Deputy Minister

Manitoba Labour and Immigration

CHRIS JONES

Ex Officio

Fire Commissioner

Office of the Fire Commissioner

Members

KEVIN BRISCOE

Client Representative

ING Insurance

RALPH GROENING

Client Representative

Association of Manitoba Municipalities

AL NEATH

Client Representative

DICK HARVEY

Agency Staff Representative

Office of the Fire Commissioner

DANNY THORSTEINSON

Client Representative

Manitoba Association of Fire Chiefs

1

AGENCY PROFILE

Manitoba Urban Search and Rescue Team CAN TF-4

Historical Perspective

The *Fires Prevention Act* originally created in 1872 for the prevention of prairie fires, included the authority to conduct fire investigations. In 1876, the first Fire Commissioner was appointed to administer and enforce this Act. In 1885, the Act was amended to include fire protection of wooded lands. In 1940, the Act was separated into two parts: Part I dealt with forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention. In the early 1960's, training of fire fighters was included in this Act. Part I of the Act was replaced with the new *Wildfires Act* in 1997.

As a result of the tragic events on September 11, 2001, Bill 2, *The Security Management (Various Acts Amended) Act* received Royal Assent. By this Act, the Office of the Fire Commissioner (OFC) is mandated to respond to all emergency situations and ensure that a sufficient incident management system is in place and operational. The Act provides the Fire Commissioner with the authority to take whatever action necessary to save lives and property. As a result, *The Fires Prevention Act* was changed to *The Fires Prevention and Emergency Prevention Act* (FPERA). This Act was amended in November 1, 2006 to enhance the authorities of the Fire Commissioner and local authorities.

In addition to administering the FPERA, the Agency also administers *The Building and Mobile Homes Act*. This responsibility

was first introduced in 1877 through *The Manitoba Public Buildings Safe Egress Act* and was followed by *The Manitoba Public Building Act* in 1884. Both Acts govern public assembly building safety standards and means of egress. The proliferation of building codes and standards resulted in the introduction of *The Buildings and Mobile Homes Act* in 1974, which came into effect on April 1, 1977.



Organizational Services

The services provided are allocated into the following six sections:

Administration

Through the Fire Commissioner, the Administration Section provides overall leadership and direction to the organization. This section is responsible for financial planning, operational direction, human resource management and policy development.

Municipal Support



The Municipal Support Section provides: consultative services; support to Manitoba's Municipal Fire Service in the areas of fire department management and operations, fire prevention inspections, public education and fire investigations; and support to the province-wide mutual aid system.

Education and Training



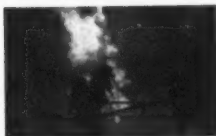
The Education and Training Section provides comprehensive emergency services training, public education, Critical Incident Stress Management (CISM) and emergency medical training through the Manitoba Emergency Services College (MESC) or local community-based trainers.

Codes and Standards



The Codes and Standards Section provides building plan review, code enforcement, consultative services, verifies permit applications and provides advice in the development of the Manitoba Building, Fire and Plumbing Codes.

Fire Investigations



The Fire Investigations Section determines the cause and origin of fires that are referred to the Agency.

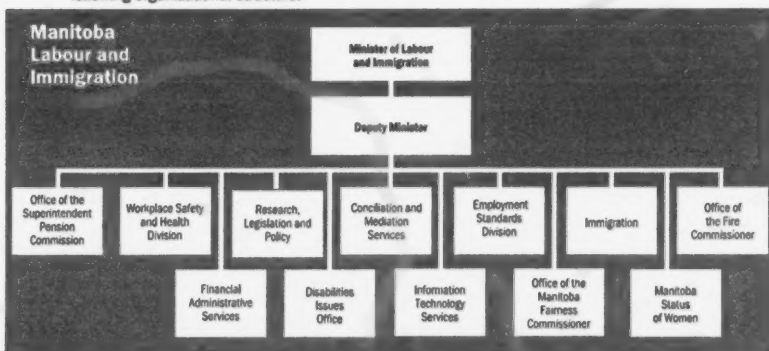
Emergency Response



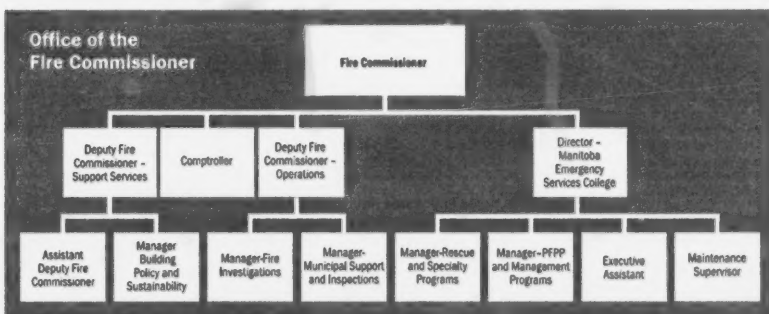
The Emergency Response Section provides emergency response services within Manitoba to assist with the operation and mitigation of major emergency incidents that exceed municipal capabilities.

Organizational Structure

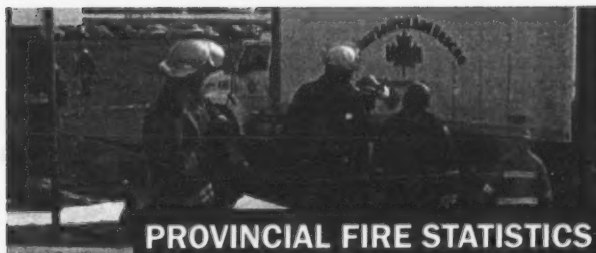
The OFC is a Special Operating Agency within Manitoba Labour and Immigration and reports directly to the Deputy Minister of Labour and Immigration as illustrated in the following organizational structure.



The following organizational structure has been defined for the Agency.



The Fire Commissioner reports to the Deputy Minister of Labour and Immigration and acts as the Agency's Chief Executive Officer. The Fire Commissioner provides overall supervision and guidance to the Agency. The senior management team provides the day to day management of the organization and consists of managers from each section. The Agency has offices in Winnipeg, Brandon, Thompson, and Dauphin. The Agency was approved for 74 full-time employees at the beginning of the 2010/11 fiscal year.



Trench Rescue exercise 2010 at MESC

During 2010, Manitoba reported 5,664 fires. The number of fires increased by 196 or four per cent over 5,468 reported in 2009. Property damage has increased by \$25,459,178 or 17.7 per cent over last year's figures. There were eighteen fatalities, a decrease of three from the 21 reported in the previous year. Injuries stand at 255, a decrease of 36 injuries, from the 291 reported last year.

Fires in Manitoba resulted in an estimated \$169.1 million in property damages during 2010. Forty-five major loss fires (damages of \$500,000 and over) accounted for \$79.6 million (40 per cent) of the total estimated property loss in 2010. During 2009 Manitoba recorded 42 major losses with damages of \$57.7 million.

During 2010, 18 people (14 adults) perished as a result of 17 fires in the Province. Sixteen of these incidences were residential fires which resulted in 17 fatalities.

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. During 2010, an estimated \$4.7 billion in property was saved as a result of the containment and suppression of fires. In addition, the Manitoba Fire Service reported assisting in the evacuation of approximately 2,029 individuals from fires.

The Number of Fires in Manitoba:

Number of Fires per 100,000 population

	2010	2009	2008	2007
Manitoba	429	421	456	472

The Cost of Fires to Manitoba:

Property Loss per capita

	2010	2009	2008	2007
Manitoba	128	110.5	131.50	99.36

Injury Rate per 100,000 population

	2010	2009	2008	2007
Manitoba	19.33	22.38	19.30	23.20

Death Rate per 100,000 population

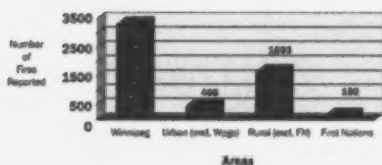
	2010	2009	2008	2007
Manitoba	1.36	1.62	1.83	2.21

The Location of Fires in Manitoba

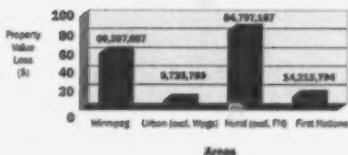
Distribution of Fires

	2010	2009	2008	2007
Winnipeg	3,331	3,106	3,213	3,459
Urban (Excl. Wpg)	480	488	481	525
Rural (Excl. Wpg)	1,693	1,707	1,637	1,855
First Nations	160	209	136	145

2010 Manitoba Fires by Area



2010 Manitoba Fires - Property Value Loss by Area (millions)



The City of Winnipeg accounts for 59 per cent of reported fires and 35 per cent of property damages in Manitoba. During 2010, 2,113 or 63 per cent of Winnipeg's fires involved outdoor property, primarily rubbish and grass fires. Of these outdoor property fires, 319 or 15 per cent were intentionally set or of a suspicious nature.

Rural Manitoba reported 41 per cent of the fires and accounted for 64 per cent of property damages.

During 2010, there were 5,664 fires which caused \$169,134,457 in damages. Outlined below are the per centages of fires and damages by four major causes: accidental, arson, suspicious, and undetermined.

During 2010, the City of Winnipeg reported 585 incidents which were determined to be incendiary or suspicious in nature; this depicts a decrease of 13.3 per cent or 90 fires below the 675 incidents in 2009. The remainder of the provincial fires determined as arson/suspicious decreased to 543 for a decrease of seven per cent or 42 below the 585 reported in 2009.

The Arson Strike Force and Youth Fire Stop Program remain dedicated to reducing the losses in both the City of Winnipeg and the remainder of the province.

Causes of Fires

	Fires	Property Damage
Accidental	36%	60%
Arson	12%	21%
Suspicious	8%	2%
Undetermined	42%	17%

Note: All statistics presented in Section 2 of this annual report were based on a calendar year, and provided to the OFC by local authorities.



3

KEY CONTINUOUS IMPROVEMENT OBJECTIVES

Safety and Emergency Response Training 2010

The Agency has identified several goals for the 2010/11 business plan year. These goals form the organization's action plan for each section. The following information provides an overview of the status of each section's goals and objectives.

3.1 ADMINISTRATION

To continue to work on the regulations necessary to support the FPERA and The Buildings and Mobile Homes Act.

The FPERA was proclaimed on November 1, 2006. In development of this legislation extensive consultation with the Manitoba Association of Fire Chiefs (MAFC), the Association of Manitoba Municipalities (AMM) and other key stakeholders was undertaken and significant improvements have been implemented. Roles of local assistants, municipalities and municipal officials under the legislation have been expanded and details surrounding the role of the OFC in fire and other emergencies and disasters have been clarified. The amendments further clarify the role of municipalities in public safety and improve the powers of local officials in dealing with fire and life-safety risks in their jurisdiction through several measures including the adoption of the Manitoba Fire Code and enforcement of inspections.

Another very important piece of legislation that falls under the responsibility of the OFC is *The Buildings and Mobile Homes Act*. This legislation outlines the requirements of the Manitoba Building and Plumbing Codes and provides the direction for municipalities on the enforcement of codes and standards related to building construction. Municipalities receive their designation to perform building permit reviews, and the Agency is responsible to ensure that the local municipality is following those rules.

Throughout the 2010/11 fiscal year, the OFC has continued to work with stakeholders to develop regulations. Regulations regarding the construction of farm buildings and energy and water efficiency were announced in 2010.

3.1.2 To finalize expansion of OFC's Brandon facility.

The Manitoba Fire College was established in 1975 by the OFC to assist Manitoba's Municipal Fire Service with training and education. At that time, the Manitoba Fire College was offering courses at the Agricultural Extension Centre in Brandon. In 1985, the Manitoba Fire College was built and seven OFC staff moved from the provincial building into the new Manitoba Fire College. In 1986, the Fire College offered the first full-time pre-employment program in Canada. A total of 11 students graduated from this program. The Fire College also issued 620 certifications to municipal fire departments. In 1994, the province expanded the Fire College by adding on seven classrooms, a modern theatre, a boardroom and student lunch room to the existing facility. The Fire College was also given a new name, the Manitoba Emergency Services College (MESC). In 1997, the Province again expanded the MESC and built the Practical Training Site.

Today, the MESC produces approximately 64 full-time Public Fire Paramedic Program (PFPP) graduates and issues over 4000 other certifications a year. The MESC provides support to more than 100 causal instructors and provides services to several Manitoba based organizations. The OFC's client base includes all municipalities' emergency response services, Regional Health Authorities (RHA), as well as industry and policing agencies. Historically, the OFC faced several challenges with respect to office space, classroom availability and emergency response equipment storage. The Agency's long-term investment in expanding storage facilities, creating office space facilitates and increasing

the number of programs and services it offers has made the MESC one of Canada's leading emergency services training facilities. MESC construction and expansion was completed in the second quarter of the 2010/11 fiscal year.

3.1.3 To explore the development of a "net zero" office building in Winnipeg.

The Agency has consulted with multiple commercial real estate brokers and are exploring options ranging from extensive renovation of the current Winnipeg facility to the development of a new office facility.

3.1.4 To review and amend fines associated with Fire Code and Building Code violations.

The Agency continued to work with both Legislative Council and the Manitoba Justice during the 2010/11 year to ensure that fines imposed under the Acts remain appropriate with other jurisdictions in Canada.

3.1.5 To implement an updated cost accountability and financial management system.

During the first quarter, the Agency worked with external software development firms to create a suitable solution for increasing the efficiencies of the Agency's financial management. Continued development and staff training programs were provided in the second quarter with a roll out plan scheduled for the subsequent quarters.

3.1.6 To continue to monitor and develop the Agency's short and long-term capital plan.

In previous business plans, the Agency identified a capital replacement figure based on generally accepted accounting principles reflective of the Agency's amortization rates. As the Agency continues to provide more services and acquire more equipment, the need to develop a longer-term plan was identified. With respect to this need, the Agency developed a detailed three-year plan.



Premier Greg Selinger, OFC K9 Flash and K9 Coordinator Cliff Samson

3.2 MUNICIPAL SUPPORT

3.2.1 To continue to assist municipalities with Fire Code enforcement of all high hazard and public assembly occupancies as mandated in the FPERA.

Although municipalities are required to provide fire protection services, they independently decide which services they provide and how to provide those services. For example, a large number of municipalities across the province do not conduct fire inspections even though conducting these inspections often improves fire protection.

Manitoba legislation requires all municipalities adopt the Manitoba Fire Code, and a regulation passed on June 1, 2007 outlines the buildings required to be inspected. The Agency developed this regulation with key stakeholders from the Manitoba Association of Fire Chiefs (MAFC) and the Association of Manitoba Municipalities (AMM). The Agency continued to support any municipality that asked for assistance in performing inspections in 2010/11, and will continue to provide training programs related to fire inspections in years to come.

3.2.2 To continue to work directly with municipal councils in an effort to apprise elected officials of their responsibilities regarding the provision of fire protection and emergency response services.

The Agency continued to host presentations for municipal officials relating directly to their responsibilities in providing effective fire protection services and submission of overall performance measures. The Agency also continued



CSAR 2010 response

3.3 EDUCATION AND TRAINING

3.3.1 To continue to enhance, develop and support training and education opportunities in the more remote locations of Manitoba.

The Agency continued to provide training opportunities to the north through its Thompson, Manitoba training facility. This action maximized training opportunities for emergency services personnel located in northern Manitoba.

3.3.2 To continue to build upon the Agency's partnership with Winnipeg Fire Paramedic Service.

The Agency evaluated the viability of expanding the partnership with Winnipeg Fire Paramedic Service (WFPS), and will be reporting throughout the 2011/12 year on any additional programs being offered.

to work closely with the AMM in an effort to ensure a consistent message was provided to all municipalities. Several municipalities participated in fire protection surveys and the Agency continued to offer this service throughout 2010/11.

3.2.3 To develop and implement a fire prevention strategy for the Province of Manitoba.

Working with municipal councils and stakeholder groups in the first half of 2010/11, the Agency began development of a province-wide strategy designed to strengthen fire prevention activities and reduce fire loss. The Agency developed an intensive one-day training and information session for community members. This training and information session focused on fire prevention strategies such as counselling individuals who may pose a fire-setting risk to the community.

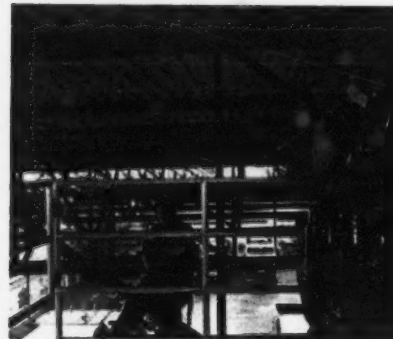
3.3.3 To continue to ensure that education and training programs meet the diversity of our clients.

The Agency continued its efforts to establish links for cultural and diversity training and monitored the increase in Aboriginal participants in the Public Fire Paramedic Program (PFPP) to ensure that all partnership objectives were maintained.



Fire Prevention Officer Jeff Erwin at MESC 2010 Conference

3.4 CODES AND STANDARDS



Structural collapse courses at MESC

3.4.2 To develop a regulation outlining the requirements necessary for Part 3 building code enforcement designation.

In April 2010, the Government of Manitoba enacted the Classes of Buildings Designation Regulation (M.R. 48/10) under *The Buildings and Mobile Homes Act*. The purpose of this regulation is to ensure that Municipal Buildings Officials who are authorized to inspect Part 3 buildings within a municipality meet appropriate training and qualification standards. The Agency continues to work with local building officials and municipalities to ensure the highest level of service possible.

3.4.3 To finalize and implement regulations pertaining to the construction or major renovation of farm buildings in Manitoba.

During the 2009/10 year, detailed stakeholder consultations were conducted. Recommendations stemming from these consultations were submitted to and approved by the Minister of Labour and Immigration. The Government of Manitoba subsequently proclaimed that these requirements take effect November 1, 2010. The Agency continues to work with the agricultural community to ensure a smooth transition.

3.4.1 To continue to explore the development of energy and water efficiency/conservation codes and objectives in the Manitoba Building and Plumbing Codes.

Part 9 building recommendations were announced in the third quarter. Development of recommendations for Part 3 continued throughout 2010/11.

3.5 FIRE INVESTIGATIONS

3.5.1 To develop a comprehensive arson-reduction strategy for Manitoba.

The Agency worked with police and fire authorities to reduce arson-related activities in Manitoba. Additionally, an overall strategy was developed in consultation with local authorities and other stakeholder groups. Further to this, the Agency provided a presence in northern Manitoba communities experiencing arson issues. This approach was piloted in Oxford House during the second quarter with great success in reducing arson-related fires.



3.6 EMERGENCY RESPONSE



Emergency response Flood 2011

3.6.1 To continue to prepare for and respond to emergencies and disasters that are too large, technical or complex to be handled by Manitoba's local municipal governments or mutual aid districts.

The citizens of Manitoba and local emergency services require and expect an enhanced level of emergency response from the Agency. The OFC is an emergency response training provider and emergency responder when an emergency or disaster is too large, technical or complex for local authorities to effectively mitigate. The Agency responded to 28 emergency incidents in 2010/11.

3.6.2 To continue to develop and maintain the following capabilities within the province.

The Agency continued to build on the expertise and skills of the Urban Search and Rescue (USAR) team, Ground Search and Rescue (GSAR) team, Chemical Biological Radiological and Nuclear (CBRN) team and the Hazardous Materials team by promoting advanced training, hosting regular meetings and conducting deployment exercises. During the second quarter, the annual GSAR summer exercise was held in eastern Manitoba to continue

development of the search and rescue partner organizations. The National and Provincial USAR exercises were held during the third quarter and provided excellent training opportunities for team members. The Agency also hosted the annual CBRN team meeting, bringing members from multiple agencies together for valuable training.

3.6.3 To continue to support Manitoba Conservation and municipalities when communities and property are threatened by wildland urban interface fires.

The Agency remains committed to providing life and property protection support across Manitoba in provincial or municipal agency suppression efforts. The Agency responded to four calls for assistance in urban interface operations. The agency worked with the RM of Victoria Beach and Manitoba Conservation to develop the first Provincial Community Wildfire Protection Plan (CWPP). The CWPP includes Pre-Response Plans, Sprinkler Deployment Plans and an Urban Interface Mitigation Plan. The agency worked with Manitoba Conservation on a detailed Values-At-Risk inventory in Whiteshell Provincial Park. The agency developed a Wildland Firefighting For Structural Firefighter course to support the rural fire service.

3.6.4 To continue to support police services in responding to illegal drug operations such as methamphetamine laboratories and marijuana grow operations.

During 2010/11, the Agency responded to 46 calls for assistance involving marijuana grow operations.

4

PERFORMANCE MEASURES



Hazmat Training 2010

4.1 Emergency Services/Municipal Support

The fire service in North America has traditionally been reactive. It responds to emergency situations as they arise with less emphasis on prevention.

The Agency wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur. To this end, the Agency has developed a Five Step Action Plan for the municipal fire service. The Agency will continue to work with the Manitoba fire departments to help implement the program.

INDICATORS	2010/11	2009/10
Attendance of Emergency Services Officers or OFC representative at Mutual Aid and Training District meetings	50%	95%
OFC Management (i.e., executive and middle management) to attend one Mutual Aid District Meeting per district per year	80%	100%
Requests for assistance from municipal council or fire department responded to within three working days	100%	92%
Requests for fire inspection from all client groups responded to within five working days	90%	95%
Delivery of Elected Officials Seminars at the Mutual Aid level	3	8

4.2 Education and Training

The Manitoba Emergency Services College (MESC) provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention

The large number of graduates from these MESC courses helps ensure that the province maintains a network of trained emergency response personnel.

MESC PROGRAMS - INDICATORS	2010/11	2009/10
Number of people taking courses from MESC	4756	4534
Gainful employment for Public Fire Paramedic Program students in an emergency service career within one year of graduation	N/A*	82%
Number of incident command programs offered	19	23
Number of programs available by web base, distance education and Tele-health	3	3
Overall satisfaction rating of MESC programs by Public Fire Paramedic Program students	80%	90%
Satisfaction rating of individual courses offered by college to all client groups on a 10 point scale	9	9

*Please Note: 2010/11 information regarding gainful employment for PEPP students will be available after June 30, 2012

4.3 Critical Incident Stress Management (CISM)

The OFC initiated, developed and now maintains a provincial network of trained Critical Incident Stress Management personnel. Their primary role is to provide support to the first responders who are engaged in critical incidents to mitigate the negative psychological affects that such incidents can have on the personal and career lives of these responders.

INDICATORS	2010/11	2009/10
Maintain seven provincial teams	100%	100%
Response to CISM requests at the regional levels responded to within four hours	100%	100%
Response to CISM requests at the provincial levels responded to within one hour	100%	100%
Number of Advanced and Basic courses offered	3 Basic; 2 Advance	5 Basic; 3 Advanced

4.4 Codes and Standards

The Codes and Standards section plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff work to ensure that buildings meet the Provincial Building, Fire and Plumbing Codes and do not present a serious threat to public safety. The goal of this section is to reduce injuries, deaths and property losses arising from substandard construction. We cannot readily quantify these public benefits.

INDICATORS	2010/11	2009/10
Permits processed within nine working days	100%	91%
Delivery of awareness seminars for RV/Mobile Home dealers regarding safety requirements	2	3
Develop delivery of educational programs with other government agencies	4	4
Delivery of contractor information sessions	2	4

4.5 Fire Investigation

Fire Investigations are conducted by members of the Manitoba Fire Service or the OFC in co-operation with police authorities and the insurance industry. Clients call upon the services of our fire investigators for situations such as fire fatalities, serious injuries, explosions, fires where origin or cause cannot be determined and any fire resulting in a major loss to the community.

The goal of the OFC is to see the number of investigations decline. This would reduce operating costs through the reduction of overtime paid to investigators. The key to achieving this goal is to continue training members of the Manitoba Fire Service in fire investigations. This would allow OFC investigators to deal with the other critical investigations.

The investigation work done by the Agency assists in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions made and actions taken by the police and prosecutors influence both the number of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry through reduced payouts. Investigative work also identifies how a structure performed during a fire. The evidence found during these investigations help shape building code standards.

INDICATORS	2010	2009
Fire Investigations	657	686
Per centage for which cause was determined	85%	87%
Rate of arson/suspicious fire investigations compared to previous year for Manitoba	-30%	+66%
Rate of arson/suspicious fire investigations compared to previous year for Winnipeg	+5%	-4%
Deliver two Youth Fire Stop Programs to investigation and support Agencies	2	3

4.6 Emergency Response

The OFC is able to respond to a variety of emergency incidents. The OFC engaged in the following emergency response operations in 2010/11: Ground Search and Rescue (GSAR), Wildland Urban Interface (WUI) fire fighting, hazardous materials (Hazmat), flood and ice breaking, industrial fire suppression and technical rescue. In total for that year, the OFC attended twenty-eight emergency responses: nine GSAR, eight Hazmat, three floods, two fires, one water rescue and one confined space rescue.

The OFC trains and manages a number of specialized tactical teams. These teams are trained to effectively engage in emergency response, and are supported by the various provincial and federal funding arrangements. The teams are nationally recognized and include: Heavy Urban Search and Rescue (HUSAR) (a.k.a., Canada Task Force 4); Hazardous Materials/Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE); and Search and Rescue Manitoba (SARMAN).

INDICATORS	2010/11	2009/10
When requested to respond to emergency situations the response shall be within 45 minutes of call	100%	100%
Number of emergency responses	28	22

5



FINANCIAL DISCUSSION AND ANALYSIS

REVENUES (000's)

Levy – Levy revenue was \$419 over last year as a result of higher cumulative property insurance premiums written in Manitoba.

Codes & Standards – Codes & Standards revenue is \$50 under last year and \$1,132 over budget. Revenue from this source fluctuates significantly with economic cycles, particularly building construction.

Note: This excludes BFO and NRCAN. The budget originally included \$400 for BFO revenue. However, the BFO Program was not approved. Thus, there is an unfavourable actual to budget variance on the BFO line. The unfavourable variance on the NRCAN line represents budgeted amounts that exceeded program eligibility.

Tuition and Contract Revenue – Tuition and contract revenue is \$248 over last year and \$294 over budget. Two full PFPF courses were run during the year and contract revenue increased as part of the strategy to maximize alternative revenue sources. Our primary customer for training, the Manitoba Fire Service, continues to receive training at no charge.

New Search and Rescue (SAR) Initiative Fund (NIF) Grant – The purpose of this grant is to enhance the Search and

Rescue Manitoba (SARMAN) network. OFC incurred eligible expenditures and earned corresponding grant revenue of \$146 for the 2010/11 year.

JEPP (Joint Emergency Preparedness Program) Capital Grant – The amount of \$124 represents revenue taken in from the deferred revenue account for capital asset purchases, as discussed in the Notes to the Financial Statements.

JEPP (Joint Emergency Preparedness Program) Initiative Operating Grant – The purpose of this grant is to provide for the continued maintenance, training and education and scheduled team meetings and exercises to support the USAR and HAZMAT capability within the Province of Manitoba. OFC incurred eligible expenditures and earned corresponding grant revenue of \$493 for the 2010/11 year.

Interest – Interest revenue is earned on the cash surplus accumulated in March 2010 when funds for the Fires Prevention Fund were received for the current fiscal year. The surplus is drawn down throughout the year to finance OFC spending. Low interest rates persisted throughout the year.

Summary – Agency revenues are over budget by \$1,866 and under last year by \$183.

EXPENDITURES (000's)

Amortization - Amortization costs are \$105 under last year due to the timing of capital acquisitions.

Clothing - Clothing costs are \$44 over last year and \$125 over budget.

Desktop Management - Desktop Management costs are \$50 over budget as charges from STEM continue to rise.

Mutual Aid - The mutual aid line item represents incentive grants given to mutual aid districts to encourage the delivery of training programs in their districts with their own personnel. Certain criteria must be met before a grant will be issued. This account is \$53 under budget and \$51 under last year as not all Districts applied for the eligible amount.

Salaries & Benefits - Salaries and benefits are \$182 over last year and \$145 over budget. A retirement payout accounts for approximately 50 per cent of the budget variance.

Vehicle Lease - Vehicle Lease costs are \$21 over last year and \$185 over budget. Fleet charges include base rent, variable charges, and fuel.

Minor Capital - Minor Capital costs are \$110 over last year and \$321 over budget.

Supplies - Supply costs are \$281 under last year and \$237 over budget.

Travel - Travel costs are \$112 over last year and \$289 over budget.

PERC Outsourced - \$338 represents the billing from the City of Winnipeg for costs incurred over the past two years to deliver training for the medical portion of the PFPP program.

Cost Recovery - The cost recovery account was used to accrue claims that were made to recover costs incurred preparing for a JEPP exercise that was cancelled after the Haiti earthquake.

Summary - Overall, expenditures have decreased by \$166 over last year and are \$1,358 over budget. The Agency showed a surplus of \$553 this year versus a surplus of \$570 last year.



Students at MESC 2010 Conference



Management's Report

For the year ended March 31, 2011

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 13, 2011.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Original signed by

David K. Schafer
Acting Fire Commissioner

Original signed by

Rob Pike
Deputy Fire Commissioner

**OFFICE OF THE FIRE
COMMISSIONER**
An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2011

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2011

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Independent Auditor's Report

To the Special Operating Agencies Financing Authority

We have audited the accompanying financial statements of the Office of the Fire Commissioner an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba, which comprise the balance sheet as at March 31, 2011 and the statements of retained earnings, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Office of the Fire Commissioner an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by

Chartered Accountants

Winnipeg, Manitoba
June 13, 2011

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OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet
(In Thousands)

March 31	2011	2010
Assets		
Current Assets		
Cash	\$ 2,914	\$ 5,652
Short-term investments (Note 4)	3,260	-
Accounts receivable (Note 5)	2,335	3,119
Prepaid expense	79	58
	<u>8,689</u>	<u>8,867</u>
Non-current Assets		
Long-term investments (Note 6)	889	559
Capital assets (Note 7)	7,998	7,890
	<u>8,887</u>	<u>8,449</u>
	<u>\$ 17,036</u>	<u>\$ 17,316</u>
Liabilities and Equity		
Current Liabilities		
Accounts payable	\$ 4	\$ 10
Accrued liabilities	1,354	1,042
Deferred revenue	178	325
Current portion of obligation under capital lease (Note 17)	45	42
	<u>1,578</u>	<u>2,320</u>
Non-Current Liabilities		
Obligation under capital lease (Note 17)	109	154
Severance liability (Note 8)	452	803
Deferred contributions (Note 11)	815	724
	<u>1,376</u>	<u>1,681</u>
Equity		
Contributed capital (Note 9)	11,279	11,279
Water Bomber Reserve Fund (Note 12)	200	200
Canine Training Reserve Fund (Note 13)	40	40
Special Reserve Reserve Fund (Note 14)	200	200
Retained earnings	<u>2,363</u>	<u>1,836</u>
	<u>14,082</u>	<u>13,556</u>
	<u>\$ 17,036</u>	<u>\$ 17,316</u>

Approved on behalf of the Special Operating Agency Advisory Board

Original signed by _____
 Chairperson

Original signed by _____
 Fire Commissioner

*The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Retained Earnings
(In Thousands)

For the year ended March 31	2011	2010
Opening balance	\$ 1,836	\$ 1,487
Net income and comprehensive income for the year	655	570
Special Rescue Reserve Fund Allocation (Note 14)	(26)	(221)
Closing balance	\$ 2,363	\$ 1,836

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Operations
(In Thousands)

	2011	2010	Actual	Budget	Budget
For the year ended March 31	Actual	Actual	Variance	(Unaudited)	Variance
Revenue					
Levy	\$ 6,389	\$ 5,889	\$ 430	\$ 5,433	\$ 956
Codes and standards	1,782	1,832	(50)	866	1,132
Tuition and contract revenue	1,794	1,546	248	1,800	294
Grant - NRCAN Green Building Promotion	134	660	(526)	660	(526)
JEPP initiative grant (Note 11)	804	918	(112)	200	304
Grant - Budgeting for Outcomes	-	400	(400)	400	(400)
JEPP capital grant (Note 11)	124	117	7	240	(116)
Other revenue	227	95	132	40	187
Emergency services conference	117	147	(30)	110	7
Grant - Mutual Aid	130	130	-	130	-
Interest	8	7	1	15	(7)
Fire inspections, investigations and reports	195	131	64	70	125
New SAR Initiative (NFI) - Grant (Note 10)	146	73	73	130	16
Rent	8	4	1	-	8
Grant - National Heavy Urban SAR Exercise	79	-	79	-	79
	11,624	11,617	7	9,868	2,066
Expenses					
Salaries and benefits	8,620	5,865	(48)	5,810	10
Amortization	887	991	(104)	1,021	(134)
Travel	639	527	112	350	289
Supplies	487	768	(281)	250	237
Vehicle lease	488	484	21	300	188
PERC Program	338	-	338	-	338
Minor capital	321	211	110	-	321
Repairs and maintenance	286	417	(132)	275	10
Desktop management	260	241	9	200	60
Rent	228	237	(11)	180	68
Mutual Aid	202	253	(51)	255	(53)
Communications	189	208	(17)	190	39
Clothing	180	106	44	25	125
Property taxes	142	163	(21)	150	(8)
Labour services	130	86	36	128	4
Insurance	119	138	(18)	114	5
Professional services	110	135	(25)	70	40
Bad debt	110	-	110	-	110
Utilities	78	78	3	79	(1)
Fuel - Owned vehicles	63	43	20	110	(47)
Other	61	40	21	25	36
Postal and courier	38	29	8	33	7
Publications	38	30	6	20	18
Professional development	30	28	2	29	8
Marketing	28	21	7	30	(2)
Building standards board	25	13	12	10	15
Public education material	14	29	(12)	30	(16)
Memberships and subscriptions	8	7	(2)	5	-
Seminar and conference registration	4	5	(1)	8	(4)
Information systems	-	114	(114)	-	-
S.O.A. Board	-	1	(1)	4	(4)
Photofinishing	-	1	(1)	5	(7)
JEPP and HUSAR Initiative	-	-	-	30	(30)
Emergency response	-	-	-	40	(40)
Loss on asset disposition	-	-	-	15	(15)
	11,089	11,047	22	9,524	1,545
Net income and comprehensive income					
For the year	\$ 585	\$ 670	\$ (16)	\$ 44	\$ 811

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows
(In Thousands)

For the year ended March 31	2011	2010
Cash Flows from Operating Activities		
Net income for the year	\$ 555	\$ 570
Items not involving cash		
Amortization of capital assets	887	991
Amortization of deferred contributions	(124)	(117)
	<u>1,318</u>	<u>1,444</u>
Net change in non-cash working capital balances	<u>(118)</u>	<u>(1,007)</u>
	<u>1,200</u>	<u>437</u>
Cash Flows from Investing Activities		
Proceeds on disposal of capital assets	-	10
Purchase of capital assets	(905)	(2,335)
	<u>(905)</u>	<u>(2,325)</u>
Cash Flows from Financing Activities		
Transfer from Special Rescue Reserve	(28)	(21)
Deferred contributions received	215	203
	<u>187</u>	<u>182</u>
Net increase (decrease) in cash and cash equivalents	482	(1,706)
Cash and cash equivalents, beginning of year	<u>5,682</u>	<u>7,388</u>
Cash and cash equivalents, end of year	<u>\$ 6,164</u>	<u>\$ 5,682</u>
Represented by:		
Cash and bank	\$ 2,914	\$ 5,682
Short-term investments	<u>3,250</u>	<u>-</u>
	<u>\$ 6,164</u>	<u>\$ 5,682</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

For the year ended March 31, 2011

Basis of Accounting The financial statements are presented in accordance with Canadian generally accepted accounting principles (GAAP).

Capital Assets Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Agency provides for amortization of its capital assets on the following basis:

Buildings	5% declining balance
Practical training site	10% declining balance
Equipment	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	30% declining balance

Revenue Recognition The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2010 calendar year will be recognized as revenue in the fiscal year ending March 31, 2011. The levy rate is set at 1.25%.

Codes and standards, conference, and tuition and contract revenue is recognized when earned. Operating grant revenue is recognized as revenue when receivable. Grant revenue received for the purchase of capital assets is deferred and recognized as revenue in the same fiscal year and at the same rate as the amortization expense of the related capital assets.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Summary of Significant Accounting Policies

For the year ended March 31, 2011

Capital Disclosures

The Agency's capital consists of contributed capital, Water Bomber Reserve Fund, Canine Training Reserve Fund, Special Rescue Reserve Fund and retained earnings provided from operations.

The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings by managing transfers of surplus funds to the Province of Manitoba; meet short-term capital needs with working capital advances from the Province of Manitoba; and meet long-term capital needs through long-term debt with the Province of Manitoba. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**Future Accounting
Policy Changes**

The Agency will adopt Public Sector Accounting Standards (PSAS) issued by the Public Sector Accounting Board effective April 1, 2011. The Agency is currently in the process of assessing the impact of the adoption of PSAS on its financial statements.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

For the year ended March 31, 2011

1. Nature of the Office of the Fire Commissioner

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at \$11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. Change in Accounting Policies

Significant Accounting Changes

No significant accounting changes were effective for the Agency in the 2010-2011 fiscal year.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2011

3. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Agency are classified and measured as follows:

<u>Financial Asset/Liability</u>	<u>Category</u>	<u>Subsequent Measurement</u>
Cash and short-term investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accrued interest	Loans and receivables	Amortized cost
Due from Province of Manitoba	Loans and receivables	Amortized cost
Long term investment	Held for trading	Fair value
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of operations and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of operations and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they recorded in the statement of operations and retained earnings.

Fair Value of Financial Instruments

The fair values of accounts receivable, long-term investments, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. The fair value of the Agency's financial instruments has been determined based on quoted prices from active markets.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2011

3. Financial Instruments and Financial Risk Management (continued)

Financial Risk Management - Overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and term deposits and accounts receivable.

The maximum exposure of the Agency to credit risk at March 31, 2011 is:

Cash and short-term investments	\$ 6,164
Accounts receivable	2,335
Long term investment	559
	\$ 9,058

Cash, short-term investments and long term investment: The Agency is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the majority of the receivables are due from other reliable organizations and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Management has determined that no allowance for doubtful accounts is required as at March 31, 2011.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2011

3. Financial Instruments and Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments. The significant market risks the Agency is exposed to are interest rate risk and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short-term and long-term investments.

The interest rate risk on short-term and long-term investments is considered to be low because of their short-term nature.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

For the year ended March 31, 2011

4. Short-term Investments

The short term investment balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year.

5. Accounts Receivable

The accounts receivable balance is made up of the following:

	2011	2010
Office of Critical Infrastructure Protection and Emergency Preparedness	\$ 1,414	\$ 1,705
Manitoba Mutual Aid Grant	390	260
Other	182	189
National Resources Canada	203	826
National Search and Rescue Secretariat	148	-
Manitoba Health	-	110
Insurance Branch of Department of Consumer & Corporate Affairs	-	29
	<u>\$ 2,335</u>	<u>\$ 3,119</u>

6. Long-term Investment

The Province of Manitoba accepted responsibility for the vacation entitlements earned by the employees of the Agency prior to its designation as SOA, and the severance pay benefits accumulated to March 31, 1998 for certain of the Agency's employees. Accordingly, the Agency recorded a receivable of \$659 (\$311 for severance pay benefits and \$348 for vacation entitlements) from the Province of Manitoba for these accumulated benefits. Effective March 31, 2009 the Province of Manitoba paid the receivable balances related to the funding for these liabilities and has placed the amount of \$659 into an interest bearing trust account to be held on the Agency's behalf until the cash is required to discharge the related liabilities.

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

For the year ended March 31, 2011

7. Capital Assets

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	\$ 6,675	\$ 555	\$ -	\$ 7,230
Buildings - JEPP	268	135	-	423
Training site	2,134	23	-	2,157
Training site - JEPP	212	15	-	227
Equipment	2,054	7	-	2,061
Equipment - JEPP	910	20	-	938
Fire engines	1,400	-	-	1,400
Other vehicles	905	22	-	927
Other vehicles - JEPP	183	45	-	228
Air compressors	678	83	-	761
Furniture	80	-	-	80
Computers	383	-	-	383
Computers - JEPP	12	-	-	12
Total cost	\$ 15,922	\$ 905	\$ -	\$ 16,827

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	\$ 1,948	\$ -	\$ 264	\$ 2,212
Buildings - JEPP	34	-	20	44
Training site	1,226	-	93	1,319
Training site - JEPP	77	-	15	92
Equipment	1,548	-	103	1,649
Equipment - JEPP	657	-	56	713
Fire engines	1,042	-	106	1,150
Other vehicles	574	-	107	681
Other vehicles - capital lease	-	-	-	-
Other vehicles - JEPP	118	-	33	151
Air compressors	411	-	70	481
Furniture	68	-	2	70
Computers	330	-	16	346
Computers - JEPP	11	-	-	11
Total amortization	\$ 8,032	\$ -	\$ 887	\$ 8,919
Net capital assets	\$ 7,890			\$ 7,908

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

For the year ended March 31, 2011

8. Severance Liability

Effective April 1, 1988, the Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2008. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2011 was \$452 (2010 - \$503), with the actuarial gain or loss being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2008 valuation, and in the determination of the March 31, 2011 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.50%
real rate of return	<u>4.00%</u>
	<u>6.50%</u>
Annual salary increase rates	
annual productivity increase	0.75%
annual general salary increase	<u>3.50%</u>
	<u>4.25%</u>

OFFICE OF THE FIRE COMMISSIONER
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(In Thousands)

For the year ended March 31, 2011

9. Contributed Capital

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

- a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and
- b) record the balance of \$11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings were being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased \$241 as at April 1, 1996 to \$11,279.

10. New Search and Rescue (SAR) Initiative (NIF)

On a quarterly basis, the Office of the Fire Commissioner applies for a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba. Grants of \$146 have been earned in the year ended March 31, 2011 (\$73 in 2010).

11. Joint Emergency Preparedness Program (JEPP) Grant

The Office of the Fire Commissioner applies for grants from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purposes of these grants are to enhance the Province of Manitoba's ability to respond to hazardous material and heavy urban search and rescue emergency responses through the provision of equipment and training.

JEPP operating grant revenue for the year ended March 31, 2011 is \$504 (\$516 in 2010). An amount of \$124 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets for the year ended March 31, 2011 (\$117 in 2010).

JEPP capital assets totaling \$215 have been purchased in the year ended March 31, 2011 (\$193 in 2010). JEPP deferred revenue is equal to the net book value of assets purchased with JEPP capital grants. JEPP deferred revenue as at March 31, 2011 is \$815 (\$724 in 2010).

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For the year ended March 31, 2011

12. Water Bomber Reserve Fund

The Agency received approval from Treasury Board in the year ended March 31, 2005 to establish a special reserve fund for water bomber fire suppression activities. This fund is capped at an amount of \$200 and will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property. As of March 31, 2011, the Agency had allocated a total of \$200 to this fund from its retained earnings account.

13. Canine Training Reserve Fund

The Agency established a special reserve fund for replacing and training a rescue dog. The total cost to train a dog is estimated at \$40 and the average time a dog spends in service is six years. In March 2007 the Agency allocated \$25 to this fund from its retained earnings. The fund is now capped at \$40. Once this fund has been used it will be discontinued.

14. Special Rescue Reserve Fund

The Agency received approval from Treasury Board during the year to establish a special reserve fund for special rescue activities. This fund is capped at \$200. During the year, the Agency drew \$28 from this fund and replenished the fund to \$200 from its retained earnings.

15. Commitments and Contingencies

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease expires May 31, 2012. Minimum annual rent is \$11 due in equal monthly instalments, plus all operating costs with respect to the subject land.

Office equipment leases exist for ten machines. The longest lease expires on March 31, 2016.

The Office of the Fire Commissioner has entered into leases on a fleet of 41 vehicles.

These three categories of leases give rise to commitments as follows:

2012	\$	232
2013		202
2014		100
2015		56
2016		25

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16. Pension Benefits

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB). The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Office of the Fire Commissioner, through the Civil Service Superannuation Fund (CSSF).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for March 31, 2011 was \$260 (\$269 in 2010). Under this agreement, the Office of the Fire Commissioner has no further pension liability.

17. Obligation under Capital Lease

	<u>2011</u>	<u>2010</u>
Polaris Leasing Ltd., capital lease due November 1, 2013, interest at 7.318% per year with annual principal and interest payments of \$43 for the first 4 years and a final payment of \$79 in 2014.	\$ 141	\$ 171
CTS Lease and Rental, capital lease due March 15, 2012, interest at 7.486% per year with annual principal and interest payments of \$14 for three years.	<u>13</u>	<u>25</u>
	154	196
Current portion of obligation under capital lease	<u>45</u>	<u>42</u>
	<u>\$ 109</u>	<u>\$ 154</u>

Obligations under capital lease are secured by the equipment under lease. The future minimum lease payments for the next three years are as follows:

2012	\$ 45
2013	35
2014	<u>74</u>
	<u>\$ 154</u>



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Independent Auditor's Report

To the Special Operating Agencies Financing Authority

We have audited the accompanying Schedule of Compensation ("Schedule") of the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2011. This Schedule has been prepared by management based on The Public Sector Compensation Disclosure Act.

Management's Responsibility for the Schedule

Management is responsible for the preparation of the Schedule in accordance with The Public Sector Compensation Disclosure Act and for such internal control as management determines necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the Schedule of Compensation of the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba for the year ended March 31, 2011 is prepared, in all material respects, in accordance with The Public Sector Compensation Disclosure Act.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Schedule, which describes the basis of accounting. The schedule is prepared to assist the Office of the Fire Commissioner, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba to meet the requirements of Section 2 of The Public Sector Compensation Disclosure Act. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for the Special Operating Agencies Financing Authority and should not be distributed to or used by parties other than the Special Operating Agencies Financing Authority.

Original signed by

Chartered Accountants

Winnipeg, Manitoba
June 13, 2011

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Schedule of Compensation
(In Thousands)

For the year ended March 31, 2011

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2011, the following employees received compensation of wages and taxable benefits of \$50 or more:

<i>Last Name</i>	<i>First Name</i>	<i>Position</i>	<i>Compensation</i>
Vandekerckhove	Richard	Manager, Investigations	112
Favelle	Gordon K	Manager, Critical Incident Stress Management	112
Hogarth	Colin D	Investigator	105
Panagapko	Justin	Deputy Fire Commissioner	98
Jones	Christopher	Fire Commissioner	97
Giersch	Ken	Emergency Services Officer/Instructor	97
Singleton	David	Emergency Services Officer/Instructor	95
Purtill	Michael	Emergency Services Officer/Instructor	95
Jennings	Thomas J	Codes and Standards Officer	91
Harrow	William J	Investigator	90
Beacham	D R	Codes and Standards Officer	86
Bedford	Murray C	Emergency Services Officer	86
Praznik	Tobin	Manager - Rescue and Specialty Programs	85
Samson	Clifford	Emergency Services Officer/Instructor	83
Pike	Robert	Deputy Fire Commissioner	81
Kerbis	Michael	Emergency Services Officer/Instructor	80
Ross	Kevin L	Emergency Services Officer/Instructor	80
Fisher	Sean	Emergency Services Officer/Instructor	80
Oman	Kevin	Codes and Standards Officer	80
Popowich	Kevin	Emergency Services Officer/Instructor	79
Schafer	David K	Manager, Municipal Services	79
Kroeker	Ken	Emergency Services Officer/Instructor	77
Harvey	Richard E	Coordinator, Rescue Programs	77
Carmichael	Ken	Emergency Services Officer/Instructor	76
Emrick	Mark	Emergency Services Officer/Instructor	75
Popko	B D	Manager, Manitoba Emergency Services College	74
Gillis	Roger	Emergency Services Officer/Instructor	74
Harper	Tammy	Manager, Codes and Standards	74
Ritzer	Scott	Heavy Urban Search and Rescue Specialist	73
Winder	Grant	Emergency Services Officer/Instructor	73
Friesen	Dennis	Emergency Services Officer/Instructor	73
Denslow	Ronald C	Emergency Services Officer/Instructor	73
Giesbrecht	H. George	Emergency Services Officer/Instructor	72
Burch	Jim	Controller	72
Popowich	D A	Fire Commissioner	71
Dufresne	Shirley	Emergency Services Officer/Instructor	70
Knight	Craig	Emergency Services Officer/Instructor	67
Wolf	Stanley L	Codes and Standards Officer	66

OFFICE OF THE FIRE COMMISSIONER
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For the year ended March 31, 2011

Grimshaw	Thomas	Codes and Standards Officer	66
Campbell	Adam	Codes and Standards Officer	66
Cummings	Erin	Curriculum Development Officer	66
Oliver	Loretta	Coordinator, Emergency Medical Programs	65
Hoglander	Richard	Codes and Standards Officer	65
Gray	Allan D	Emergency Services Officer/Instructor	64
Erwin	Jeff M	Emergency Services Officer/Instructor	64
Chemerika	Lisa	Emergency Services Officer/Instructor	64
Chartrand	Shane	Codes and Standards Officer	59
Danino	Kathy	Public Education Officer	59
Wenger	Lyle	Emergency Services Officer/Instructor	57
Brodziak	Bradley	Emergency Services Officer/Instructor	56
MacDonald	Elaine C	Accounting Assistant	55
Bouchie	Christina	On Line Student Services	55
Morkun	Lisa	Administration Officer	51
McLean	Kelly	Executive Assistant	51
Ashley	Darlene	Accounting Assistant	51

OFFICE OF THE FIRE COMMISSIONER
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Note to Schedule of Compensation

For the year ended March 31, 2011

1. Basis of Accounting

Pursuant to Section 2 of The Public Sector Compensation Disclosure Act, the entity shall disclose to the public in accordance with the Act the amount of compensation that it pays or provides in the year directly or indirectly. Compensation means compensation pursuant to any arrangement, including an employment contract, calculated to include the total value of all cash and non-cash salary or payments, allowances, bonuses, commissions and perquisites.

Any disclosures of wrongdoing received by Office of The Fire Commissioner pursuant to *The Public Interest Disclosure (Whistleblower Protection Act)* will be reported in the annual report of Office of The Fire Commissioner.



Office of the Fire Commissioner

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